

Message Text

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PAGE 01 STATE 188494
ORIGIN L-03

INFO OCT-01 ARA-10 ISO-00 SS-15 SAB-02 SSO-00 CCO-00
/031 R

DRAFTED BY L/PM:TABOREK:LKB
APPROVED BY E:MR. COOPER
L:MR. FELDMAN
DOD/DSAA:GEN. FISH (SUBS)
ARA/PAN:MR. NADEAU
OPIC:MR. POATS (SUBS)
EXIM:MR. GIANTURCO (SUBS)
AID:MR. VAN DYK (SUBS)
AID/GC:MR. BALL (SUBS)
ARA:MR. STEDMAN (DRAFT)
PM/SAS:AKOCHANЕК
-----073249 101624Z /41
Z 101610Z AUG 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY PANAMA FLASH

C O N F I D E N T I A L STATE 188494

STADIS//////////

E.O. 11652:GDS

TAGS: PFOR/PN

SUBJECT:DRAFT LETTER ON ECONOMIC AND MILITARY ASSISTANCE
AND FINANCING
REF: TELECON MOSS/NADEAU

1. IN ACCORDANCE WITH YOUR REQUEST, SET FORTH BELOW IS
DRAFT OF A LETTER THAT COULD BE PROVIDED TO THE PANAMANIAN
EXPRESSING COMMITMENTS AUTHORIZED TO BE MADE BY THE
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PRESIDENT ON ECONOMIC AND MILITARY MATTERS NOT PROVIDED FOR
IN THE TREATY ITSELF. BASED ON OUR UNDERSTANDING OF YOUR
REQUEST, THE UNDERTAKINGS PROVIDED FOR IN THIS LETTER
WOULD, ONCE IT ENTERS INTO FORCE, CONSTITUTE AN INTERNA-
TIONAL AGREEMENT WHICH WOULD NOT REQUIRE APPROVAL AS SUCH
BY THE CONGRESS BUT WHICH WOULD BE CARRIED OUT WITHIN THE
LIMITATIONS OF STATUTORY REQUIREMENTS REGARDING AUTHORIZA-

TION AND APPROPRIATION OF FUNDS AND GOVERNING THE IMPLEMENTATION OF THE PROGRAMS PROVIDED FOR THEREIN, AND SUBJECT TO TERMS OF THE AGREEMENT.

2. IT IS FURTHER OUR UNDERSTANDING THAT YOU MAY WISH TO INITIAL THIS TEXT BUT THAT FORMAL SIGNATURE WOULD NOT TAKE PLACE UNTIL ARRANGEMENTS ARE MADE FOR SIGNATURE

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OF TREATY, AND AGREEMENT WOULD NOT REPEAT NOT BE BROUGHT INTO FORCE UNTIL TREATY ENTERS INTO FORCE. IN THIS REGARD, YOU SHOULD BE AWARE THAT EXIM BANK CONCURRENCE IN TEXT OF LETTER IS EXPRESSLY CONDITIONED UPON ITS RECEIVING LETTER FROM THE DEPARTMENT TO THE EFFECT THAT ITS COMMITMENT IS DEPENDENT UPON ENTRY INTO FORCE OF TREATY PROVIDING SUBSTANTIAL REVENUES TO PANAMA, I.E. IN AN AMOUNT SUCH AS THAT CURRENTLY CONTEMPLATED.

3. BEGIN DRAFT TEXT OF LETTER TO FOREIGN MINISTER:

BEGIN QUOTE DEAR MR. MINISTER:

I HAVE THE HONOR TO REFER TO OUR RECENT DISCUSSIONS CONCERNING PROGRAMS DESIGNED TO ENHANCE COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA IN THE ECONOMIC AND MILITARY SPHERES.

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AS A RESULT OF THESE DISCUSSIONS, I AM AUTHORIZED TO INFORM YOU THAT MY GOVERNMENT IS PREPARED TO AGREE, WITHIN THE LIMITATIONS OF APPLICABLE UNITED STATES LEGISLATION AND SUBJECT TO COMPLIANCE WITH APPLICABLE LEGAL REQUIREMENTS AND, WHERE NECESSARY, TO THE AVAILABILITY OF APPROPRIATED FUNDS, THAT:

1. THE UNITED STATES GOVERNMENT WILL CONSIDER APPLICATIONS FROM THE REPUBLIC OF PANAMA FOR HOUSING INVESTMENT GUARANTIES WITH A VIEW TO APPROVAL OF SPECIFIC PROJECTS WITH AN AGGREGATE VALUE OF NOT TO EXCEED DOLS 75,000,000 OVER A FIVE YEAR PERIOD. APPROVAL OF SPECIFIC PROJECTS SHALL BE SUBJECT TO CONFORMANCE WITH ANY APPLICABLE ADMINISTRATIVE AND LEGISLATIVE CRITERIA.

2. THE OVERSEAS PRIVATE INVESTMENT CORPORATION WOULD GUARANTEE BORROWINGS OF NOT TO EXCEED DOLS 20 MILLION IN UNITED STATES PRIVATE CAPITAL BY THE NATIONAL FINANCE CORPORATION OF PANAMA (COFINA) FOR USE IN FINANCING PRODUCTIVE PROJECTS IN THE PRIVATE SECTOR IN PANAMA, SUBJECT TO TERMS AND CONDITIONS AS SHALL BE AGREED UPON BY THE OVERSEAS PRIVATE INVESTMENT CORPORATION AND COFINA, AND

APPROVED BY THE OVERSEAS PRIVATE INVESTMENT CORPORATIONS
BOARD OF DIRECTORS.

3. THE EXPORT-IMPORT BANK OF THE UNITED STATES IS PRE-
PARED TO OFFER A LETTER OF INTEREST TO PROVIDE LOANS,
LOAN GUARANTIES, AND INSURANCE, AGGREGATING NOT TO EXCEED
DOLS 200,000,000 OVER A FIVE YEAR PERIOD BEGINNING
OCTOBER 1, 1977 AND ENDING SEPTEMBER 30, 1982, FOR THE
PURPOSE OF FINANCING THE U.S. EXPORT VALUE OF SALES TO

PANAMA. SUCH FINANCING SHALL, AT THE DISCRETION OF THE
BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK, BE IN THE
FORM OF LOANS, LOAN GUARANTEES, OR INSURANCE FOR INDIVIDUAL
PRODUCTS OR PROJECTS APPROVED BY SUCH BOARD.
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4. THE UNITED STATES GOVERNMENT WILL ISSUE REPAYMENT
GUARANTEES UNDER ITS FOREIGN MILITARY SALES PROGRAM IN
ORDER TO FACILITATE THE EXTENSION OF LOANS TO THE GOVERN-
MENT OF PANAMA BY ELIGIBLE LENDERS FOR THE PURPOSE OF
FINANCING THE PURCHASE BY THE GOVERNMENT OF PANAMA OF
DEFENSE ARTICLES AND DEFENSE SERVICES. THE AGGREGATE
PRINCIPAL AMOUNT OF LOANS GUARANTEED BY THE UNITED
STATES GOVERNMENT IN ACCORDANCE WITH THIS PARAGRAPH SHALL
NOT EXCEED DOLS 50,000,000 OVER A TEN YEAR PERIOD.

IT IS UNDERSTOOD THAT THE UNDERTAKINGS OF THE UNITED
STATES PROVIDED FOR HEREIN WILL ENTER INTO FORCE UPON AN
EXCHANGE OF NOTES TO THAT EFFECT BETWEEN OUR TWO GOVERN-
MENTS.

SINCERELY, END TEXT. CHRISTOPHER

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Message Attributes

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Sent Date: 10-Aug-1977 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
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Original Handling Restrictions: STADIS
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
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TAGS: PFOR, EAID, MASS, PN, US, XMB
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/18b7305d-c288-dd11-92da-001cc4696bcc
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